

Bulletin ID: No. 72 - Department of Mental Health- Extrapolation

In August 2009, the Department of Mental Health (DMH) sent all providers a letter stating that DMH would begin extrapolating the results of its claims audits in FY 2010 to calculate the overall dollar amount to be recovered from providers for that fiscal year. On February 26, 2010, the Department of Health Care Finance (DHCF) had published a proposed regulation, D.C. Municipal Regulation 29-965, that would have mandated extrapolation. Recently, DHCF has notified us that it is not presently pursuing D.C. Municipal Regulation 29-965. Therefore, DMH will not extrapolate the results of its FY 2010 claims audits nor will it extrapolate any subsequent claims audits unless and until DHCF republishes a regulation requiring extrapolation or DMH publishes an extrapolation policy and modifies its Human Care Agreements (HCA) to require extrapolation.

With that said, extrapolation is a nationwide practice. The U.S. Department of Health and Human Services, Office of the Inspector General extrapolates when it conducts audits of state Medicaid programs; furthermore, D.C. Municipal Regulation 29-809.7 already requires extrapolation for Free Standing Mental Health Clinic audits and D.C. Municipal Regulation 29-5214.4 already requires extrapolation when Medicaid audits DMH. Thus, while we will not extrapolate for FY 10 claims audits, we do expect that we will ultimately issue a policy or rule requiring extrapolation. We strongly encourage all providers to review all of your failed claims and put in place corrective actions to greatly reduce any and all failed claims. We will keep you informed of changes in this issue as they develop.

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